

BUREAU OF VALUATION.
Accounting Section.

April 26, 1934.

MEMORANDUM NO. 137

MEMORANDUM TO FIELD EXAMINERS:

In conference in my office yesterday with the Director and Mr. Hood of the Engineering Section, Mr. Hood stated that the Engineering Section required data underlying the 588 returns, such as engineering field notes, cross-sections, profiles, etc. Therefore we have decided that in checking returns to Valuation Order No. 24 where such returns deal with the construction of extensions, branch lines, or newly constructed roads, data in addition to that previously furnished by the carrier, and investigation beyond that which has heretofore been made, will be necessary and is required, as follows:

The 588 shall contain as an introductory statement reference to the Finance Docket and a description of the property, including the location of its termini, names and locations of foreign line connections, the date of beginning and completing construction, date commercial operations were commenced, the purpose for which the property was constructed and the necessity therefor, the general character of the property, including topographical features, limits of curvature and gradients, and if constructed under contract the names of the contractors, the location of material yards, the methods of construction, particularly as to grading, the nature of the grading material and how obtained, that is whether embankments were made from line cuts, side borrow or from haul from sources outside the right-of-way, and whether waste is involved. Any special conditions encountered during the construction affecting progress, quantities or costs should be fully explained.

It shall be the duty of the field examiner to see to it that the above data is furnished by the carrier, or, in case of failure of the carrier to supply the information, it must be obtained by the examiner.

In addition to the foregoing carriers shall comply fully with the provisions of Section 8, page 7 of Valuation Order No. 3, Second Revised Issue. "Other data" referred to in the first two paragraphs thereof should include copies of cross-section notes and copies of other pertinent construction records supporting quantities included in the B.V. Form 588 report.

The Engineer-examiner shall make an inspection of the property on the ground for the purpose of testing the accuracy of the reports, reporting the results of such tests, and shall make notes of conditions found, particularly with respect to grading and ballast, reporting the kind, depth, and source of ballast, the kind, size, treatment, and source of ties, the length of rail used and date rolled, and shall determine whether the grading reported is fully utilized and whether more economical methods of construction than those actually followed could have been adopted, and shall report thereon after the form and in a manner similar to the reports of "Field Engineers" made in connection with the basic inventories.

The above instructions should be complied with also in the case of property acquired by a carrier from a noncarrier whenever it is necessary to make an inventory of such property.

The data specified in the foregoing is necessary in the preparation of valuation reports and full compliance with the requirements enumerated are a necessary part of the check of the Valuation Order 24 returns.

(Signed) R. A. Lacey
Head Auditor Property Changes.

REGULATIONS AND INSTRUCTIONS
RELATING TO THE
RECORDING AND REPORTING CHANGES IN
PHYSICAL PROPERTY OF EVERY
COMMON CARRIER

SUBJECT TO THE PROVISIONS OF THE ACT
TO REGULATE COMMERCE WHENEVER SUCH CHANGES
OCCUR IN CONNECTION WITH CONSTRUCTION,
TRANSFER, LEASE, OR ABANDONMENT
OF PROPERTY

AS PRESCRIBED BY THE INTERSTATE COMMERCE COMMISSION
IN ACCORDANCE WITH SECTION 19a OF THE ACT
TO REGULATE COMMERCE

Effective May 15, 1928



UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1931

ORDER

At a General Session of the INTERSTATE COMMERCE COMMISSION, held at its office in Washington, D. C., on the 2d day of April, A. D. 1928

The commission having under consideration the subject of a uniform system for recording and reporting changes in the physical property (owned or used for common-carrier purposes or held for purposes other than those of a common carrier) of every common carrier subject to the provisions of the interstate commerce act, whenever such changes occur in connection with the construction, transfer, lease, or abandonment of property pursuant to authority granted therefor by the commission:

(1) *It is ordered*, That, upon being granted authority on or after the effective date of this order to construct a new road, a branch line, or an extension of an existing line, the common carrier to which such authority is given, within 90 days after commencement of common-carrier operations of said property, or any portion thereof, shall comply with the provisions of section 8 of valuation order No. 3, as revised; shall file, under oath, with the commission, on B. V. Form No. 588, a complete and accurate inventory of the property, showing the units and quantities thereof entering into and comprising the property, including the right of way, roadway and structures, machinery and equipment, all described and classified as in the inventories made by the commission under section 19a of the interstate commerce act; shall report the original cost of said units in place; and shall report all additional information falling within the requirements of the commission's valuation orders Nos. 1, 3, 5, 6, 12, 15, 16, 20 and 23.

The details in this inventory as to land, including lands and improvements thereon held for purposes other than those of a common carrier, and equipment shall be those prescribed in valuation orders Nos. 7 and 8.

It is further ordered, That said common carrier shall thereafter, beginning with the date of the inventory, comply with the provisions of valuation order No. 3, as revised, with respect to establishing and maintaining the prescribed system or records pertaining to additions, improvements, retirements, or other changes in such physical prop-

erty, including any property that may be held for purposes other than those of a common carrier, and shall file with the commission the prescribed reports listed therein with respect to such changes separately for the period from date of inventory to December 31, following, and annually thereafter.

(2) *It is ordered*, That, upon being granted authority on or after the effective date of this order to acquire property, by purchase, exchange, through merger, by consolidation, by lease, or otherwise, from another common carrier whose property had been previously inventoried by the commission, the common carrier acquiring such property shall, within 90 days after commencement of common-carrier operations of said property or any portion thereof, comply with the provisions of section 10 and 11 and supplement No. 1 of valuation order No. 3, as revised.

It is further ordered, That said common carrier shall thereafter, beginning with the date of acquisition of said property, comply with the provisions of valuation order No. 3, as revised, with respect to establishing and maintaining the prescribed system of records pertaining to additions, improvements, retirements, or other changes in such physical property, including any property that may be held for purposes other than those of a common carrier, and shall file with the commission the prescribed reports listed therein with respect to such changes separately for the period from date of inventory to December 31, following, and annually thereafter.

(3) *It is ordered*, That, upon being granted authority on or after the effective date of this order to acquire from another common carrier or from any individual, firm, or corporation, by purchase, exchange, through merger, by consolidation, by lease, or otherwise, any property not previously inventoried by the commission, the common carrier acquiring such property, within 90 days after commencement of common-carrier operations of said property, or any portion thereof, shall file, under oath, with the commission, on B. V. Form No. 588, a complete and accurate inventory of the property, showing the units and quantities thereof entering into and comprising the property, including the right of way, roadway and structures, machinery and equipment, all described and classified as in the inventories made by the commission under section 19a of the interstate commerce act; shall report the original cost, estimated if not known, of said units in place; and shall report all additional information falling within the requirements of the commission's valuation orders Nos. 1, 3, 5, 6, 12, 15, 16, 20, and 23. The details in this inventory as to land, including lands and improvements thereon held for purposes other than those of a common carrier, and equipment shall be those prescribed in valuation orders Nos. 7 and 8.

It is further ordered, That said common carrier shall thereafter, beginning with the date of the inventory, comply with the provisions of valuation order No. 3, as revised, with respect to establishing and maintaining the prescribed system of records pertaining to additions, improvements, retirements, or other changes in such physical property, including any property that may be held for purposes other than those of a common carrier, and shall file with the commission the prescribed reports listed therein with respect to such changes, separately for the period from date of inventory to December 31, following, and annually thereafter.

(4) *It is ordered,* That upon being granted authority on or after the effective date of this order to abandon an entire line of road or a portion thereof, the common carrier to which such authority is given, within 90 days after the date of the abandonment of said property, or any portion thereof, shall file with the commission a statement setting forth the facts with respect thereto, indicating what disposition has been made of the abandoned property and giving reference to the location and limits by valuation section designation and by engineering station; shall, in the event the abandoned property comprises less than a valuation section, file, under oath, with the commission, on B. V. Form No. 588, a complete and accurate inventory of the property abandoned, showing the units and quantities thereof entering into and comprising the fixed property, including right of way, roadway and structures, and machinery, all described and classified as in the inventories made by the commission under section 19a of the interstate commerce act, and shall report the original cost, estimated if not known, of said units in place.

And it is further ordered, That May 15, 1928, be, and the same is hereby, fixed as the date on which this order shall become effective.

By the commission.

[SEAL.]

GEORGE B. MCGINTY,
Secretary.